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MEMORANDUM

TO: HONORABLE MAYOR AND CITY COUNCIL
FROM: JOSHUA TETZLAFF, CITY ADMINISTRATOR
SUBJECT: PRE-BUDGET MEETING
DATE: JUNE 3, 2026

For this first 2027 budget meeting, I wanted to meet before we usually meet in August and discuss high-level topics that'll help staff prepare a draft budget. I realize that having concrete numbers is a primary driver for many discussions but getting general feedback early assists staff in pulling together a budget that meets Councils expectations and limits future meetings.

The items I'd like to discuss are:

- Goals for 2027:
 - What are the City Council's primary goals for the 2027 budget? What is the City looking to achieve in 2027 with its budget? Staff use the Visioning Document as a guide when putting the budget together. Are there items, preliminarily, that the Council would like to add or remove for 2027?
 - With the onset of the Police Station debt service in 2027, has the Council given thoughts as to a range for the levy increase it would like to shoot for? Based on the 2026 budget, the police station debt service of \$628,690.65 would account for about 11.22% of the overall levy. Staff will work through our budget to find ways to reduce the impact even further, such as use of received grant dollars and utilizing unused funds within the construction fund to offset some of the increase. But an increase will happen above the addition of debt service due to increased costs of providing services to the City. Guidance on an acceptable range staff should shoot for as a starting line would be helpful so that early budget meetings can be productive.
 - Another common discussion the Council has each year is the Cost of Living increase the salary scale is adjusted by. The past few years, I have tried to use estimations of inflation to guide this number. Is that a tool the Council feels is appropriate or should staff consider another means of determining COLAs?
- 2027 CIP First Draft Review
- Timeline
 - Reviewed estimated timeline

Recommendation

Please consider the questions and topics prior to our meeting on Monday (6/8) so that we are able to have a good discussion.